

## FARM TRANSITION ASSESSMENT

Today's Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Client ID # \_\_\_\_\_

Enrollment Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Business status at entry: \_\_\_\_\_

Most recent business status: \_\_\_\_\_

Most Recent Business Status Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

### THIS SECTION TO BE COMPLETED BY INTERVIEWER AFTER SURVEY

<b>Interviewer Name:</b>		<b>Interview Date:</b>	
<b>Interview Method:</b>		<b>Interview Length (time):</b>	
	<b>Follow-Up Tasks and/or Referrals for Client</b>	<b>Date Completed</b>	<b>Initials</b>
	<b>Survey Follow Up Tasks</b>		
	<b>Post coding:</b>		
	<b>Business status updates</b>		
	<b>Business growth events updates</b>		
	<b>Data cleaning</b>		
	<b>Data entry</b>		
	<b>Thank you card to client</b>		

Interviewer Comments:

The **Farm Transition Assessment** is designed to help you understand and prepare for vital decisions necessary to transition toward operating your farm apart from ALBA. The primary areas include:

- Economics – understanding your financial preparedness for transition
- Focus – awareness of your talents and specialties to generate success
- Planning and Fit – identifying your land and resource needs
- Goals and Resources – reflecting on your long-term plan

Let's start the survey with a brief review of your business status for the previous year. Suggested measures include:

Gross Income, Net Income, Operating Margin, Short-Term Liabilities and Working Capital, etc.

**Economics** These questions help determine how you are positioned to receive loans.

1. What is your current total acreage? \_\_\_\_\_

Do you operate acreage outside the incubator? ☐ Yes ☐ No

How many acres? \_\_\_\_\_

2. Can you demonstrate a multi-year track record of farm business records?  
☐ Yes ☐ No ☐ Don't Know (DK) ☐ Refused to Answer (RF)

Which of the following farm records did you keep in the last three years (check all that apply):

- ☐ Receipts for income
- ☐ Receipts for expenses
- ☐ Tax returns including a Schedule F (Farm Income)
- ☐ Balance sheet
- ☐ Profit and loss statements
- ☐ Cash flow projections
- ☐ Contracts with buyers

3. Has your monthly cash flow been an issue?  
☐ Yes ☐ No ☐ DK ☐ RF

4. Do you have established and reliable markets?  
☐ Yes ☐ No ☐ DK ☐ RF

5. What type(s) of financing would you prefer in order to leave the farm incubator?

Financing Type	Priority from High (1) to Low (5)
Family and Friends	
Commercial Bank Loan	

Non-profit Lender (i.e. CalCoastal)	
Bank Line of Credit (operating needs)	
Personal savings	
IDA savings (i.e. FarmLink IDA)	
Pre-payment from buyer	
Private Investor(s)	
Customers (loans, shares)	
Income from Non-Farm Job	
Crowdsourcing (i.e. Kickstarter, Prosper)	
Business Profits	
USDA Farm Service Agency Loan	
Owner reinvestment in biz	
Other:	

6. Do you request a free annual credit report?  
☐ Yes ☐ No ☐ DK ☐ RF
7. Would you like to improve your credit score and if so, have you explored ways to repair your credit?  
☐ Yes ☐ No ☐ DK ☐ RF
8. Do you plan to expand your production and if so, what will you need to expand?  
☐ Yes ☐ No ☐ DK ☐ RF

What will you need?

9. Is your current production adequate to generate the revenue necessary for transition?  
☐ Yes ☐ No ☐ DK ☐ RF
10. Have you determined the amount of monthly loan payments you could afford to pay with current and future operations?  
☐ Yes ☐ No ☐ DK ☐ RF
11. Are you confident in your ability to find the labor necessary for your future needs?  
☐ Yes ☐ No ☐ DK ☐ RF
12. Do you have the farm equipment and supplies necessary for your transition?  
☐ Yes ☐ No ☐ DK ☐ RF
13. Can you share, borrow or lease the farm equipment and supplies necessary for your transition?

☐ Yes ☐ No ☐ DK ☐ RF

14. Do you have health insurance?

☐ Yes ☐ No ☐ DK ☐ RF

**Focus** These questions help illustrate where and how you are most successful.

15. Which crops are the best sellers at your markets?

16. Which crops are easiest for you to grow?

***[Opportunity to discuss the 80/20 rule – 20% of your crops usually bring in 80% of your revenue. Have you identified these crops and are you focusing on them?]***

17. What region, climate and soil type do you need for those crops?

18. Will you be able to sell to the same markets during and after the transition?

19. Have you identified which of your marketing outlets bring in most of your revenue, and are you focusing on those markets?

☐ Yes ☐ No ☐ DK ☐ RF

20. What barriers may prevent market access during your transition?

21. Do you have confidence in maintaining your marketing relationships over time?

☐ Yes ☐ No ☐ DK ☐ RF

**Planning and Fit** Questions to help you define what you need to make a successful transition.

22. How many acres do you need? From at least \_\_\_\_\_ to up to \_\_\_\_\_ acres

23. What is your desired method of accessing land?

☐ Rent/Lease ☐ Purchase ☐ Crop-Share ☐ Public/Nonprofit Lease ☐ Other  
(other)\_\_\_\_\_

24. What type of land tenure do you need?

☐ Year-to-Year Lease ☐ Multi-year Lease ☐ Seasonal Access Only

25. What infrastructure will need to be in place for you to start your operation on a new piece of land:

- ☐ water quality and quantity?
- ☐ buried irrigation lines?

- irrigation pump capacity?
- water storage capacity?
- packing shed?
- barn/storage?
- fencing?
- housing?

26. Have you considered working with other farmers to access land together?

☐ Yes ☐ No ☐ DK ☐ RF

27. What level of income do you need to maintain in the transition?

\$\_\_\_\_\_

28. What types of technical support do you most need?

- ☐ Business Planning
- ☐ Financial Assessment/Planning
- ☐ Marketing
- ☐ Pest Management
- ☐ Labor and Personnel Management

29. What sources of technical assistance will you be able to access?

30. What types of growers or other professionals can be most helpful to you?

**Goals and Resources** These questions help your to define your goals and identify resources.

31. Have you discussed your Transition Plan with a business adviser?

☐ Yes ☐ No ☐ DK ☐ RF

If yes, what did you learn?

32. Do you have a clear vision of your Transition Plan? Rate its clarity from 1 (least clear) to 10 (most clear) \_\_\_\_\_

33. Do you have a 5-year vision for your farm?

34. What is your overall strategy for acquiring land?